

MEASURE A

CITY ATTORNEY'S IMPARTIAL ANALYSIS

The City of Eastvale City Council has placed Measure A on the ballot. The measure asks the voters whether the City should change the City's budget appropriations limit ("Gann Limit") to allow the City to continue to budget for the expenditure all tax proceeds that the City receives for general governmental services, including police and fire protection services and roadway maintenance and repair. The Gann Limit is a requirement in State law that limits the amount of tax revenues that can be appropriated in the City's annual budget.

Measure A does not impose any new tax or increase any existing tax. This City has existing tax revenue streams, including property tax, gas tax, sales tax, and vehicle license fees, which the City utilizes to provide services to Eastvale residents. Historically, the annual tax revenues received by the City have been less than the City's Gann Limit. This means the City has been able to appropriate all of the incoming tax revenues in its budget. The City anticipates that in the next fiscal year its incoming tax revenues will exceed its Gann Limit due to increased economic development and the State's return of vehicle license fees to the City in 2018, which was approximately \$4.9 million this year.

Eastvale's Gann Limit was approved by local voters in 2012 based on a formula provided in State law. The Gann Limit is adjusted annually to account for inflation and population change, also pursuant to a formula in State law. The City's current Gann Limit is \$25,638,639. Voters may approve an increase to the Gann Limit for reasons other than population and inflation. Any such change can last for up to four years unless extended by the voters. Measure A proposes to increase the Gann Limit to \$33,000,000 and will allow annual adjustments for inflation and population increase to continue. Measure A will expire four years from the date of voter approval.

If Measure A is not approved, the City's ability to maintain current service levels may be negatively impacted. As development occurs, the City provides services to the new development, and the development generates tax revenues to the City that can be used to pay for those services. If the City's appropriations are at the Gann Limit, the City will not be able to appropriate the additional tax proceeds generated by the new development to pay for services to the new development. Measure A would allow the City to increase appropriations for services proportionately to new development occurring in the City. Decisions about appropriation amounts are made by the City Council at public meetings during the budget process.

A "Yes" vote is a vote in favor of the proposed increase to the Gann Limit for four years. A "No" vote is a vote to make no changes to the City's Gann Limit. This ordinance will be approved if simple majority (50% + 1) of the City of Eastvale electorate voting on Measure A votes "Yes".

Erica Vega
City Attorney, City of Eastvale

The above statement is an impartial analysis of Measure A. If you desire a copy of the measure, please call the City Clerk's office at (951) 703-4420 and a copy will be mailed at no cost to you. You may also view the Full Text of Measure A at www.eastvaleca.gov.